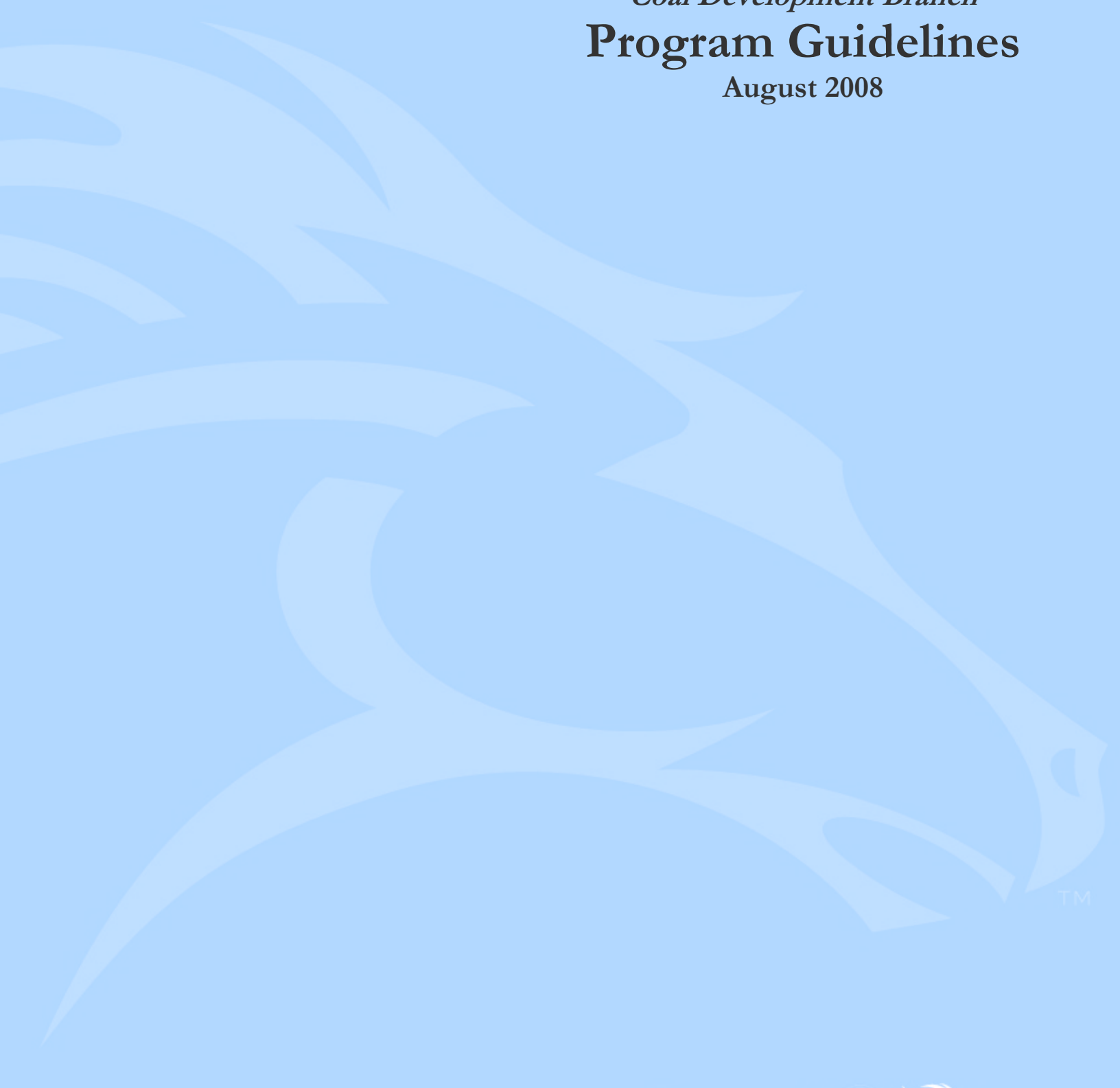


Department for Local Government  
*Coal Development Branch*  
**Program Guidelines**  
August 2008



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**Department for Local Government  
OFFICE OF STATE GRANTS  
Program Guidelines**

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**Office of State Grants**  
**Department for Local Government**

The Office of State Grants includes the following: Coal Development Branch, Special Projects Branch and Field Monitoring Staff. The office administers the following programs:

Coal Development Branch - Coal Development Branch administers the LGEDF coal severance program and the LGEAF coal and non-coal mineral severance program.

Special Projects Branch - Special Projects Branch administers general House Bill (HB) Line-items, Area Development Funds, Renaissance on Main and other special funding programs as needed.

Field Monitoring Staff - Provides technical and monitoring assistance to grant recipients across the state for all funding programs housed within the Office of State Grants. For a complete list of field staff and contact information, please visit <http://www.dlg.ky.gov/grants/stategrants/>.

For a complete listing of staff, contact information, and program forms, please visit the Office of State Grants' website at the address listed below.

**Contact information:**

Department for Local Government  
Office of State Grants  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
502-573-2382  
502-573-0175 (fax)  
<http://www.dlg.ky.gov/grants/stategrants>

## DISCLAIMER

The Department for Local Government's Office of State Grants' guidelines are accurate as of the date of publication noted on the front of this manual. Please be aware that these policies and procedures are subject to change due to legislation, executive order and legal consideration and are subject to interpretation and amendment by DLG at DLG's discretion.

The Office of State Grants administers funding for additional grant programs not described in this manual. In the event that such programs are authorized, DLG staff will administer those funds under the program administration parameters outlined in this manual, unless otherwise noted in the funding availability notice.

## LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND Program Guidelines

### Guidelines Relating to Local Government Economic Development Program (LGEDP)

**Disclaimer:** The Local Government Economic Development Fund (LGEDF) program guidelines have been assembled from the statutory requirements found in Kentucky Revised Statute (KRS) 42.4582-42.460, the programmatic policies and procedures established by the Department for Local Government (DLG) and House Bills (HBs) 406 and 410. Under authority granted by statute and HBs 406 and 410, these policies and procedures are subject to interpretation and amendment by DLG at DLG's discretion. Any project-specific requirements will not be contrary to the statutory requirements of the Local Government Economic Development Program (LGEDP).

### I. OVERVIEW OF THE LOCAL GOVERNMENT ECONOMIC DEVELOPMENT PROGRAM

#### A. Purpose of the Program

KRS 42.4588 establishes the Local Government Economic Development Program (LGEDP) to provide grants of coal severance and processing tax revenues to coal-producing counties. Grants are made from this program, commonly referred to as the Local Government Economic Development Fund (LGEDF), to assist eligible counties in diversifying their local economies beyond coal production.

Created in 1992, the program provides LGEDF grants to help make communities attractive to new manufacturing and service industries, as well as to help eligible existing businesses expand. Traditionally, emphasis has been placed on identifying and implementing economic development and/or industrial development projects that will produce the most and best jobs for the least expenditure of funds.

#### B. Allocation of Coal Severance Tax Receipts Paid into the LGEDF

The LGEDF serves as the repository for a portion of coal severance and processing tax receipts transferred from the general fund. These taxes are collected and added to the LGEDF on a quarterly basis. The state budget enacted by the 2008 General Assembly for the 2009 - 2010 biennium provides that 35% of total coal severance and processing tax receipts will be allocated to the LGEDF. An additional 15% is transferred to the Local Government Economic Assistance Fund (LGEAF), a separate and distinct tax-sharing program for cities and counties administered by DLG.

The state budget mandates that certain coal severance tax receipts be set-aside for specific projects in fiscal years 2009 and 2010. Funds for these projects are made available from coal severance tax receipts prior to the authorized allocation being placed into the LGEDF.

The state budget authorized certain funds to be set aside for specific projects in fiscal years 2009 and 2010. Funds for these projects are made available from coal severance funds prior to the authorized allocation being placed into the LGEDF. Those specific projects and the amount of funding are as follows:

	HB406	
	FY09	FY10
<b>Off the Tops</b>		
Worker's Comp set aside (Gen Fund)	\$ 19,000,000	\$ 19,000,000
Osteopathic Scholarship Fund	\$ 854,400	\$ 854,400
Trover Clinic	\$ 1,000,000	\$ 1,000,000
KIA Debt Service 2008-2010	\$ -	\$ 1,105,000
Mine Safety and Licensing	\$ 3,000,000	\$ 3,000,000
<b>Total Off the Top Deductions</b>	<b>\$ 23,854,400</b>	<b>\$ 24,959,400</b>
<i>per quarter</i>	<i>\$ 5,963,600</i>	<i>\$ 6,239,850</i>

<b>Off the Middles</b>		
DLG (returned to name from GOLD June 08)	\$ 669,700	\$ 669,700
KIA Operating	\$ 370,000	\$ 370,000
Read to Achieve	\$ 3,000,000	\$ 3,000,000
School Facility Construction Commission	\$ 4,617,900	\$ 4,617,900
KIA Debt Service(H2O resource)(HB 269 FY '04)	\$ 4,091,400	\$ 4,091,400
KIA Debt Service \$50m Wtr & Swr Bond 8-10	\$ -	\$ 4,420,000
Mining Engineering Scholarships	\$ 300,000	\$ 300,000
Flood Matching Program	\$ 800,000	\$ 800,000
KIA Debt Service IEDF '08 Year	\$ 1,071,400	\$ 1,074,800
School Technology in Coal Counties	\$ 2,500,000	\$ 2,500,000
Robinson Scholars Program - UK	\$ 1,000,000	\$ 1,000,000
Total Off the Middle Deductions	\$ 18,420,400	\$ 22,843,800
<i>per quarter</i>	\$ 4,605,100	\$ 5,710,950
<b>From Multi-County</b>		
Flood Dam Pool	\$ -	\$ -
Tourism marketing	\$ 500,000	\$ 500,000
12 Regional Parks Renovation & Mktg pool	\$ 200,000	\$ 200,000
Energy R & Dev't Pool	\$ 3,500,000	\$ 3,500,000
Operation Unite	\$ 2,000,000	\$ 2,000,000
KIA Debt Service IEDF '08 Year	\$ 7,499,600	\$ 7,523,300
KIA Debt Service IEDF Prior Year	\$ 7,028,200	\$ 7,028,200
Drug courts	\$ 1,800,000	\$ 1,800,000
Total Multi-County Appropriations	\$ 22,527,800	\$ 22,551,500
<i>per quarter</i>	\$ 5,631,950	\$ 5,637,875
* HB406 Part V Expendable Trust (Interest)	\$ 2,200,000	\$ 2,200,000
Total per Fiscal Year	\$ 67,002,600	\$ 72,554,700

## II. ALLOCATION OF FUNDS TO COAL-PRODUCING COUNTIES

### A. County Accounts

Coal severance tax receipts, which are transferred into the LGEDF, are allocated quarterly among participating counties according to a formula specified by KRS 42.4592.

The allocation formula provides that one-third of program funds be reserved for projects benefiting two or more counties. These funds are known as "multi-county" funds which reside in a "multi-county" account and are administered and managed by the Office of State Grants. (Executive Order 2008-302, adopted July 1, 2008, transferred the administration of the multi-county LGEDF from the Cabinet for Economic Development to the Department for Local Government. Guidelines for the multi-county program will be made available on the DLG website.) Another one-third of funds are allocated among the participating counties on the basis of severance taxes paid in by a county relative to the total severance taxes paid in by all participating counties. The final one-third of funds is allocated among participating counties on the basis of three criteria, weighted equally, as described below:

- the respective county's employment in mining as a percentage of its total employment;
- the respective county's earnings from mining as a percentage of its total earnings; and



- the respective county's surplus labor rate (a concept similar to unemployment) as published by the Kentucky Department for Employment Services.

Funds are allocated through the LGEDP to any coal-producing county that has generated coal severance and processing taxes in the first quarter of the current year or each of the four previous years. These counties will receive periodic allocations of program funds to accounts in their name.

LGED funds allocated to counties reside in individual state maintained accounts known as "single-county" accounts, one for each participating county. Funds may accumulate without penalty, and without lapsing, until such time as projects are approved.

### III. Types of LGEDF Awards

The LGEDF Program consists of two types of awards:

- HB 410 "Line-item" awards
- "Grant" awards

Please note per HB 410, Line-item projects circumvent statute; therefore, Line-item projects will take precedence over grants.

### IV. Line-Item Awards

#### A. Line-Item Projects Defined

HB 410 authorizes numerous projects, known as "line-items," to be funded from single county LGEDF accounts. All LGEDF line-item projects will be administered by the Office of State Grants. A specific award recipient, and funding amount, is identified in HB 410 for each project. All line-item awards will be made in compliance with HB 410. Authorization for HB 410 coal severance projects will lapse unless a Memorandum of Agreement (MOA) is executed by the end of the biennium or the project is reauthorized in the next budget.

The Kentucky Infrastructure Authority will administer the water and sewer line-item projects which appear in HB 410 as "coal severance projects" on behalf of and in partnership with the Office of State Grants. Contact John Covington, Executive Director of KIA, (502) 573-0260.

#### B. Funding Availability

Award of a project may be approved only when uncommitted funds in the appropriate single county LGEDF account are sufficient to pay for the project. Generally, the total amount of projects authorized from a single county account exceeds the amount of LGEDF funds currently available. Therefore, each county is required to prioritize the various projects per fiscal year, through a resolution passed by the fiscal court. See page 21 for a sample resolution. As funds become available projects will proceed in the order established by this resolution.

#### C. Project Duplication

Per HB 410, line-item projects are authorized under the condition that the project was not previously awarded as an LGEDF grant with a Memorandum of Agreement fully executed between July 1, 2006 and June 30, 2008.

#### D. Extraordinary Circumstance or Emergency Situation

Per HB 410, the commissioner of DLG may, upon written request by a designated entity identifying an extraordinary circumstance or emergency situation, approve the reallocation of funds appropriated for a specific project to the extent necessary to address the particular extraordinary circumstance or emergency situation. A request of this nature will be subjected to rigorous scrutiny by the commissioner of DLG and any approvals must be reported to the State Budget Director and the Interim Joint Committee on Appropriations and Revenue.

## E. Accessing and Administration of Appropriated Line-Item Funds

### 1. Project Scope and Budget Form

To initiate a project, the recipient of the Line-item must submit the following documentation to DLG:

- a. Completed Project Scope and Budget Form (See page 26)
- b. Authorizing Resolution signed by the recipient (See page 22)

\* In addition to the above, the County's Priority Resolution must be on file with DLG.

### 2. Memorandum of Agreement (MOA)

Only after the above documentation has been received by DLG and sufficient funds are available will a Memorandum of Agreement (MOA) be prepared outlining the specific terms of the award including the legal requirements for disbursement and accounting of funds. The MOA will be forwarded to the Line-item recipient for signature. Once signed by the recipient, the MOA needs to be returned to DLG for signature and further processing. No funds shall be released for a particular project until all participating parties have signed the agreement AND the contract has been submitted to the Government Contract Review Committee. When this process is complete, a copy of the fully executed agreement will be sent to the recipient. At that time, the recipient may begin incurring project costs. It is strongly recommended that no funds be expended until the recipient has received a copy of the fully executed MOA from DLG.

Failure to comply with the MOA may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to the respective LGEDF account. Each project will be governed by its own agreement outlining specific and unique terms.

### 3. Disbursement of Funds

To receive funds, the recipient will complete a Request for Disbursement form accompanied by relevant financial documentation including but not limited to quotes, cost estimates, receipts, invoices, cancelled checks and/or bank statements. Requests for Disbursements may be submitted as needed or as costs are encumbered. After the request form is received, it will be reviewed by staff for accuracy and completeness. Please be aware that failure to comply with the Quarterly Reporting requirements outlined below will delay of the release of project funds.

### 4. Quarterly Report Submission

Pursuant to the MOA, the recipient is required to submit quarterly progress reports beginning with the quarter in which the MOA was executed regardless of whether funds have been drawn. The recipient is required to submit a separate report for each individual project. The recipient is required to attach any pending financial documentation to this report. This financial documentation includes but is not limited to invoices, receipts, cancelled checks and/or bank statements not previously submitted with a Request for Disbursement. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time DLG will cease releasing additional funds until the appropriate documentation has been submitted. If reporting noncompliance issues continue, DLG reserves the right to withhold the release of funds for other LGEDF projects. Quarterly reports shall be postmarked no later than the 30th day following the end of a quarter. The following schedule applies throughout the period of the project:

First Quarter: July-September must be postmarked no later than October 30<sup>th</sup>

Second Quarter: October-December must be postmarked no later than January 30<sup>th</sup>

Third Quarter: January-March must be postmarked no later than April 30<sup>th</sup>

Fourth Quarter: April-June must be postmarked no later than July 30<sup>th</sup>

5. **Project Monitoring**

DLG staff will monitor project activities to assure compliance with the MOA and related scope of work. DLG reserves the right to conduct site monitoring visits on all projects during the course of the project. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring visit will be directed to Office of State Grants Coal Development Branch Manager and/or the Executive Director for additional review and action.

6. **Project Close-out**

Line-Item recipients shall be required to submit a completion report to DLG. This report indicates completion of the project. The completion report should be submitted when all funds have been expended and the project is complete. Once the report is received by DLG, staff will contact the recipient to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

7. **Audit Requirements**

All LGEDF projects are subject to an independent annual audit conducted in accordance with generally accepted auditing principles, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits, issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to DLG no later than 18 months after the end of each fiscal year in which LGED funds were received.

8. **Procurement**

All procurement must follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

V. **Grant Awards**

**PLEASE NOTE:** Per HB 410, line-item projects circumvent statute; therefore, line-item projects will take precedence over grants. Grant applications will only be accepted after all line-item projects identified for each fiscal year in HB 410 have been funded and if there are sufficient reserves in a county's single county account to cover the cost of the additional project(s).

A. **Eligible Grantees**

KRS 42.4588(4) states that applications for grants from funds provided for in KRS 42.4592 (1)(a) and (b) shall be made by the fiscal court of one or more counties with accounts in the LGEDF program.

KRS 42.4588(5) provides for the award of LGEDF grants for projects located in non-coal-producing counties under certain circumstances. Applications must be submitted by the fiscal court(s) of one or more counties that have accounts in the LGEDF program. And there must be a reasonable expectation of a benefit for the residents of those counties.

B. **Categories of Grants**

1. **Single County Development (LGEDF) Projects:** Projects located in and benefiting individual counties and using only funds from a county's individual account.
2. **Joint County Development (LGEDF) Projects:** Projects benefiting two or more coal-producing counties which use funds from the individual accounts of the participating counties.

3. **Regional Industrial Park / Business Park Projects** (NOTE: This does not relate to the HB 410 “Regional Industrial Parks Line-Item.”): Projects of economic benefit to three or more counties, at least two of which are coal-producing counties. Regional industrial park projects are, in general, funded from the multi-county account.

In addition, application can be made on behalf of a regional industrial park or its authority by one of its participating county(s) from their respective single county account.

All counties participating in a regional industrial authority and LGEDF-assisted regional industrial/business park must enter into an inter-local agreement approved by each fiscal court. After an inter-local agreement has been executed to form a regional authority, counties will name authority members, who in turn will incorporate the entity by filing articles of incorporation and authority bylaws. Economic benefits expected to be realized from a project (i.e. tax revenues) will be outlined within the inter-local agreement.

**C. Eligible Grant Activities**

Pursuant to HB 406, the 2009-2010 biennial budget of the Commonwealth, LGEDF grants may continue to be made from this program to support nonrecurring investments in:

- public health and safety;
- economic development, including industrial development;
- public infrastructure;
- information technology development and access; and
- public water and wastewater development.

**D. Ineligible Grant Activities**

LGEDF grants may not be used:

- for any recurring investments/expenses or working capital;
- for industrial development projects that redistribute jobs within Kentucky;
- for projects that present unfair competition for established Kentucky firms;
- to underwrite general governmental activities;
- to finance LGEDF project administration or economic development marketing efforts, except as authorized under KRS 42.4588 for the Regional Industrial Park Program; nor
- for any activity or use that does not comply with the “public use” of state funds.

**E. Funding Availability**

Grants may be awarded to a coal-producing county or to two or more coal-producing counties based upon the applicant having a project eligible for funding and having funds available to finance the project. Funding for a project will not be released until unobligated funds in the appropriate LGEDF account are sufficient to pay for the project. These funding parameters are set forth in KRS 42.4582.

**F. Non-Assignment of Grant Funds**

Grant proceeds may only be used for eligible activities. Grantees (or their designated administering agencies) cannot assign, mortgage nor convey any portion of grant proceeds to any person or entity without the express written consent of the commissioner of DLG.

**G. Recapture of Grant Funds**

When grant proceeds or income are earned from a single-county LGEDF project, the county or authority is required to maintain and account for all these funds in a “project proceeds account,” a separate, interest-bearing account established by the county or authority. Annually, with each 4th quarterly report (June 30), LGEDF grantees having recaptured funds must complete the Project Proceeds Report Form and return the report and total receipts which

remain in their project proceeds account. No expenditure may be made from these accounts without the written approval of the commissioner of DLG.

At any time if the balance of a county's project proceeds account exceeds \$100,000, the entire balance, including interest, must be returned to DLG within 10 days of reaching that amount. If a sale of property and/or facility occurs, the recaptured funds from that sale must be returned to DLG within 30 days after closing. In cases where property and/or facilities are leased, the agreement between the "grantee" and their respective "lessee" shall reflect language assuring the lease payments are paid directly to DLG unless otherwise approved by DLG. DLG will redeposit all recaptured funds into the respective single county account and those funds will become available for eligible activities within the LGEDF program.

The policy above will apply to all single county projects, including those covered by an existing MOA.

**H. Industrial Development Projects set forth by KRS 42.4588**

Grants from the LGEDF may be used for industrial development purposes. In general, the term "industrial development projects" refers to the development of a specific site for manufacturing or service activities that meet the criteria set forth in this section. An industrial development project includes the acquisition of any real estate and the construction, acquisition and installation of improvements and facilities necessary and useful for the improvement of the real estate for conveyance or lease to industrial firms and approved non-industrial firms. In some cases LGED funding may be used as a result of an industrial development project, for workforce training activities.

**I. Public Health and Safety, "other" Economic Development, Public Infrastructure, Information Technology Development and Access, and Public Water and Wastewater**

Grants from the LGEDF may be used for public health and safety, "other" economic development, public infrastructure, information technology development and access and public water and wastewater development purposes. However, to afford counties the most flexibility in project development, these expanded categories will not be specifically defined. Instead, an effort will be made to allow counties to substantiate and justify the proposed nonrecurring expenditures as an eligible project under these categories. Any project that falls under or directly addresses health and public safety, economic development, public infrastructure, information technology development and access or public water and wastewater development are eligible to submit applications for review.

**J. Accessing and Administration of LGEDF Grants**

**1. Project Scope and Budget Form**

To initiate a project, the recipient of the Line-item must submit the following documentation to DLG:

- a. Completed Project Scope and Budget Form (See page 26)
- b. Authorizing Resolution signed by the recipient (See page 25)

\*Water and Wastewater LGEDF Projects – Please include the WX/SX number on the Project Scope and Budget form. The applicant can apply for an SX or WX number through their local Area Development District via the WRIS system and the Area Water Management Council.

**2. Application Review**

Only after the above documentation has been received by DLG and sufficient funds are available to cover the cost of the project, will an application be accepted for consideration.

The commissioner of DLG is responsible for final approval of all LGEDF grants following the review and preliminary recommendation by the Office of State Grants, Coal Development Branch. In order for a project to be funded, a determination must be made regarding project eligibility, funding availability, project need, reasonability of costs and overall project effectiveness.

3. **Memorandum of Agreement (MOA)**

Upon approval of an application, a Memorandum of Agreement (MOA) will be prepared outlining the specific terms of the award including the legal requirements for disbursement and accounting of funds. The MOA will be forwarded to the grant recipient for signature. Once signed by the recipient, the MOA needs to be returned to DLG for signature and further processing. No funds shall be released for a particular project until such time as all participating parties have signed the agreement AND until the Secretary of the Finance and Administration Cabinet or his/her authorized designee has approved the contract and the contract has been submitted to the Government Contract Review Committee. Once this process is complete, a copy of the fully executed agreement will be sent to the recipient. At such time, the recipient may begin incurring project costs.

Failure to comply with the MOA may result in the withholding of funds and additional actions to enforce the terms and conditions of the agreement. In addition, funds already disbursed may be required to be returned to the respective LGEDF account. Each project will be governed by its own agreement outlining its own specific and unique terms.

4. **Disbursement of Funds**

To receive funds, the recipient will complete a Request for Disbursement form accompanied by relevant financial documentation including but not limited to quotes, cost estimates, receipts, invoices, cancelled checks and/or bank statements. Requests for Disbursements may be submitted as needed or as costs are encumbered. After the request form is received, it will be reviewed by staff for accuracy and completeness. Please be aware that failure to comply with the Quarterly Reporting requirements outlined below will delay of the release of project funds.

5. **Quarterly Report Submission**

Pursuant to the MOA, the recipient is required to submit quarterly progress reports beginning with the quarter in which the MOA was executed regardless of whether funds have been drawn. The recipient is required to submit a separate report for each individual project. The recipient is required to attach any pending financial documentation to this report. This financial documentation includes but is not limited to invoices, receipts, cancelled checks and/or bank statements not previously submitted with a Request for Disbursement. Failure to submit or fully complete the required report will place the recipient in noncompliance status at which time DLG will cease releasing additional funds until the appropriate documentation has been submitted. If reporting noncompliance issues continue, DLG reserves the right to withhold the release of funds for other LGEDF projects. Quarterly reports shall be postmarked no later than the 30th day following the end of a quarter. The following schedule applies throughout the life of the project:

First Quarter: July-September must be postmarked no later than October 30<sup>th</sup>  
 Second Quarter: October-December must be postmarked no later than January 30<sup>th</sup>  
 Third Quarter: January-March must be postmarked no later than April 30<sup>th</sup>  
 Fourth Quarter: April-June must be postmarked no later than July 30<sup>th</sup>

6. **Project Monitoring**

DLG staff will monitor project activities to assure compliance with the MOA and related scope of work. DLG reserves the right to conduct site monitoring visits on all projects during the course of the project. Monitoring questions, issues or program discrepancies identified by field staff during a monitoring will be directed to Office of State Grants, Coal Development Branch Manager and/or the Executive Director for additional review and action.

7. **Project Close-out**

The grant recipient shall be required to submit a completion report to DLG. This report indicates completion of the project and desire to close the project. The completion report should be submitted when all funds have been expended and the project is complete. When the report is received by DLG, staff will contact the recipient to schedule a time to conduct a Completion Inspection which may include a site visit to assure project completion, appropriate expenditure of funds and legal compliance.

8. **Audit Requirements**

All LGEDF projects are subject to an independent annual audit conducted in accordance with generally accepted auditing principles, Government Auditing Standards, issued by the Comptroller General of the United States, the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments," if applicable, and the Audit Guide for Fiscal Court Audits, issued by the Kentucky Auditor of Public Accounts. The audit report shall include a certification that the funds were expended for the purpose intended. A copy of the audit and certification of compliance shall be forwarded to DLG no later than 18 months after the end of each fiscal year in which LGED funds were received.

9. **Procurement**

All procurement must follow KRS 45A or KRS 424.260, as well as local procurement guidelines.

Forms can be found on the DLG website below and completed forms should be returned to:

Office of the Governor  
Department for Local Government  
Office of State Grants  
LGEDF Program  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
800-346-5606  
502-573-0175 (fax)  
<http://www.dlg.ky.gov/grants/stategrants>





## LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND Program Guidelines

The Local Government Economic Assistance Fund (LGEAF) is a program of revenue sharing for Kentucky counties and cities. The LGEAF returns a portion of state collected coal and non-coal mineral severance taxes to eligible local governments in accordance with KRS 42.450 – KRS 42.495. There are two, somewhat distinct aspects of the program, one for coal severance receipts and one for non-coal minerals receipts. The LGEAF program should not be confused with a similarly named, but entirely distinct program known as the LGEDF.

No application is needed to access these funds. Funds are automatically distributed to eligible recipients on a quarterly basis.

### I. LGEAF Coal Severance

Eligibility in the LGEAF coal severance program occurs if a county is a coal “producer” or if there is significant transportation of coal through the county (“impact county”). The status of all counties is evaluated each quarter.

Fifteen percent (15%) of state coal severance tax receipts are provided to the LGEAF program and allocated among participating counties/cities according to a formula which considers criteria such as severance tax paid in, by county; ton-miles of coal transported; population and per-capita personal income. Ninety percent (90%) of the program monies are allocated by formula among the producing counties collectively. The remaining 10% are allocated by formula collectively to the “impact” counties. Ten percent (10%) of a county’s allocation is reserved for all of the cities of that county, collectively, and are distributed among the county’s cities according to population. A check is mailed directly to the participating county or city four times annually following recognition of quarterly coal severance tax receipts.

Funds may be used for a variety of governmental activities in the case of coal “producing” counties and cities. Counties and cities which participate as “impact” may spend their LGEAF receipts on transportation only. Please see Item III for a list of allowable uses.

### II. LGEAF Non-Coal Minerals Severance

The LGEAF non-coal minerals severance program returns 50% of state collected non-coal minerals severance taxes to local governments. Eligible counties are producers of non-coal minerals such as limestone, clay, oil, or natural gas. Fifty percent (50%) of severance taxes paid in from a county’s minerals producers are returned to that county by check, four times annually following recognition of quarterly non-coal minerals severance tax receipts. Ten percent (10%) of a county’s allocation is reserved for all of the cities of that county, collectively, and are distributed among the county’s cities according to population.

Funds from the LGEAF non-coal minerals severance program may be used for a variety of governmental activities. Please Item III for a list of allowable uses.

### III. Eligible Activities

KRS 42.455(2)(3)(4) specifically prohibits the expenditure of LGEAF for the administration of government. As stated previously, coal “impact” counties must expend 100% of funds in the transportation category. Thirty percent (30%) of all funds given to coal “producer” counties must be expended on the county coal haul road system. Expenditure of the remaining 70% given to coal “producers” and 100% of non-coal mineral severance producing funds must be directly related to the remaining priority categories:

- public safety, including law enforcement, fire protection, ambulance service and other related services;
- environmental protection, including sewage disposal, sanitation, solid waste and other related programs;
- public transportation, including mass transit systems, streets and roads;
- health;
- recreation;
- libraries and educational facilities;
- services for the poor, aged, and handicapped;
- industrial and economic development;
- vocational education; and
- workforce training.

For addition information regarding the LGEAF program, please contact:

Office of the Governor  
Department for Local Government  
Office of State Grants  
LGEAF Program  
1024 Capital Center Drive, Suite 340  
Frankfort, Kentucky 40601  
800-346-5606  
502-573-0175 (fax)  
<http://www.dlg.ky.gov/grants/stategrants>

## Summary of Legal Issues Department for Local Government

Periodically, the Department for Local Government (DLG) may provide letters outlining various legal issues that counties or industrial development authorities may find useful in the grant application process and as projects progress. Below are summaries of issues that have presented themselves in the past. For additional detail, please contact DLG's Office of Legal Services at 800-346-5606.

### Open Meetings Law

The Kentucky Open Meetings Act can be found in KRS 61.805 to 61.850, and requires all public agencies to give public notice of their meetings. The Attorney General's office has brochures that explain the law in detail, but there are particular requirements under the law that public agencies, including authorities, should understand.

Generally, the place for all meetings must be one that is convenient to the public and meetings must be held at specified times. A public agency should provide for a schedule of regular meetings by ordinance, order, resolution, bylaws or by some other means. The schedule must be made available to the public.

Minutes of actions taken at every meeting must be kept by public agencies, and must set forth an accurate record of votes and actions taken. These minutes must be open for inspection by the public no later than the conclusion of the agency's next public meeting.

To the extent possible, meeting room conditions should allow for effective public observation of the meetings. No person attending the meeting can be required to identify himself in order to attend the meeting. The agency cannot place conditions on attendance of the public at a meeting other than the conditions required to maintain order. Since the General Assembly has not established procedural rules for the conduct of meetings and citizen participation, each agency must adopt its own rules and procedures. Additionally, public agencies must permit news media coverage, including recording and broadcasting.

All meetings that are not regularly scheduled are considered "special meetings," and are subject to certain additional requirements. The presiding officer or a majority of the members of a public agency may call a special meeting. The agency must provide written notice of the special meeting, including the date, time, and place of the special meeting and the agenda.

As soon as possible, written notice must be personally delivered, transmitted by facsimile, or mailed to every member of the agency and each media organization which files a written request to receive notice of special meetings. Notice may now be given by way of e-mail. Per HB 330, notice of a public meeting may be transmitted by e-mail to public agency members and media organizations that have filed a written request. Notice should be received at least twenty-four hours in advance of the special meeting. Written notice must also be posted in a conspicuous place in the building where the special meeting will take place, and in a conspicuous place in the building where the agency has its headquarters. The posting must also be done as soon as possible and posted at least twenty-four (24) hours before the special meeting.

If an emergency prevents the public agency from complying with these requirements for a special meeting, the agency must make a reasonable effort to notify the members of the agency, media organizations which have filed a written request to be notified, and the public of the "emergency meeting." At the beginning of the emergency meeting, the person chairing the meeting must describe for the record the emergency that prevented compliance with the notice provisions, and these comments should appear in the minutes. Discussions and actions at the emergency meeting must be limited to the emergency for which the meeting was called.

The Open Meetings Act allows a public agency to discuss certain subjects in a closed or executive meeting if notice is given in the regular meeting of the general nature of the business to be discussed, and the agency cites the specific exemption authorizing the closed session. A closed session may be held only after a motion is made and carried in open session, and no final action may be taken in closed session.

The exemptions to the Open Meetings Act include:

- Deliberations of the Kentucky Parole Board;
- Deliberations on the future acquisition or sale of real property by a public agency when publicity would likely affect the value of the property;
- Discussions of proposed or pending litigation involving a public agency;
- Grand or petit jury sessions;
- Collective bargaining negotiations between public employers and their employees;
- Discussions or hearings that might lead to the appointment, dismissal, or disciplining of an individual employee, member or student. However, general personnel matters may not be discussed in private;
- Discussions between a public agency and a representative of a business entity and discussions concerning a specific proposal, if open discussions would jeopardize the location, retention, expansion or upgrading of the business;
- State and local cabinet meetings and executive cabinet meetings;
- Committees of the General Assembly other than standing committees;
- Deliberations of judicial or quasi-judicial bodies involving individual adjudications or appointments. This does not include meetings of planning commissions, zoning commissions or boards of adjustments; and
- Meetings which federal or state law or the Constitution require to be conducted privately.

The Open Meetings Act prohibits any series of less than quorum meetings, where the members attending one or more of the meetings collectively constitute at least a quorum of the members of the agency, if the meetings are held to avoid the requirements of the Act. This prohibition does not preclude discussions between individual members if the purpose of the discussion is to educate the members on specific issues.

### Proxy Voting

Proxy voting by directors of an authority is not allowed under Kentucky statutes. Directors may vote by video-telephone, where the public can both see and hear the participant, but cannot vote by telephone only. However, directors cannot act in lieu of a meeting by unanimous written consent, as this would violate the requirements of the Open Meetings Act.

### Tax Status of Development Authority

Industrial Development Authorities created under KRS 154.50-301 to 154.50-346 can receive an exemption from state sales and use tax by the Kentucky Revenue Cabinet. At least two of the regional industrial authorities have done so. An authority must submit an "Application for Purchase Exemption – Sales and Use Tax" (Form 51A125) to the Revenue Cabinet, Division of Tax Administration, Sales and Use Tax Section, 200 Fair Oaks Lane, Frankfort, Kentucky, 40620, to receive such an exemption.

As for federal tax status, an opinion rendered by Wyatt, Tarrant & Combs dated May 25, 2000 states that income accruing to authorities should be excludable from federal income taxation under Section 115 of the Internal Revenue Code, which excludes from gross income any "income derived from any public utility or the exercise of any essential governmental function and accruing to State or any political subdivision thereof."

Additionally, some regional industrial authorities have sought, and at least in one case received, tax exempt status under Internal Revenue Code Section 501(c)(6), which applies to non-profit business leagues, etc., or Section 501(c)(4), which applies to organizations promoting social welfare. It is the opinion of the attorney from Wyatt, Tarrant & Combs that an authority could obtain a federal income tax exemption under either of these sections, but that to do so would confer no special benefit, nor automatically make any contributions tax deductible.

DLG's position is that an authority should consult with their local counsel to see if there is any tax advantage for that specific authority in filing for Section 501 status. There is a \$500.00 filing fee for an exemption.

### **Model Procurement Code**

KRS Chapter 45A provides for a Model Procurement Code for procurement of state purchases. The statute provides that local “purchasing agents” may follow the Model Procurement Code.

For a county industrial development authority, DLG recommends that the authority follow whatever procurement policy the county has adopted, whether that is the Model Procurement Code, the procurement process under KRS Chapter 424, or some other established method created locally.

For a regional industrial development authority, DLG strongly suggests that the authority follow KRS Chapter 45A, or at a minimum KRS Chapter 424.

### **Wage Law**

Given the intricacies of the Prevailing Wage Law, and its applicability to an industrial authority project, DLG encourages an authority to discuss with their local counsel and/or the Kentucky Labor Cabinet the relevance of the Prevailing Wage Law to any project with which the authority is involved.

### **Financial Reporting/Accounting**

All grants are made to the impacted counties and may be administered through contracts administered by an agent of the county government or by a political subdivision of county government (for example, an industrial development authority.)

In the event that the fiscal court is going to administer the program, the county (the fiscal court via the county treasurer) will receipt the fund as Fund #31 and revenue account #4508. Disbursements of funds shall be coded as 31-XXXX-XXX.






If the county is to have its agent (such as an industrial authority) administer the program it is not necessary to create a separate fund but may pass the money through an existing fund. For example, 01-4508 (general fund/LGED receipts) and 01-5075348 (general fund/economic development/program support). This would represent a pass-through program where an entity such as a county industrial development authority is managing the program on behalf of the county. The funds must be traceable to the final level of expenditure.

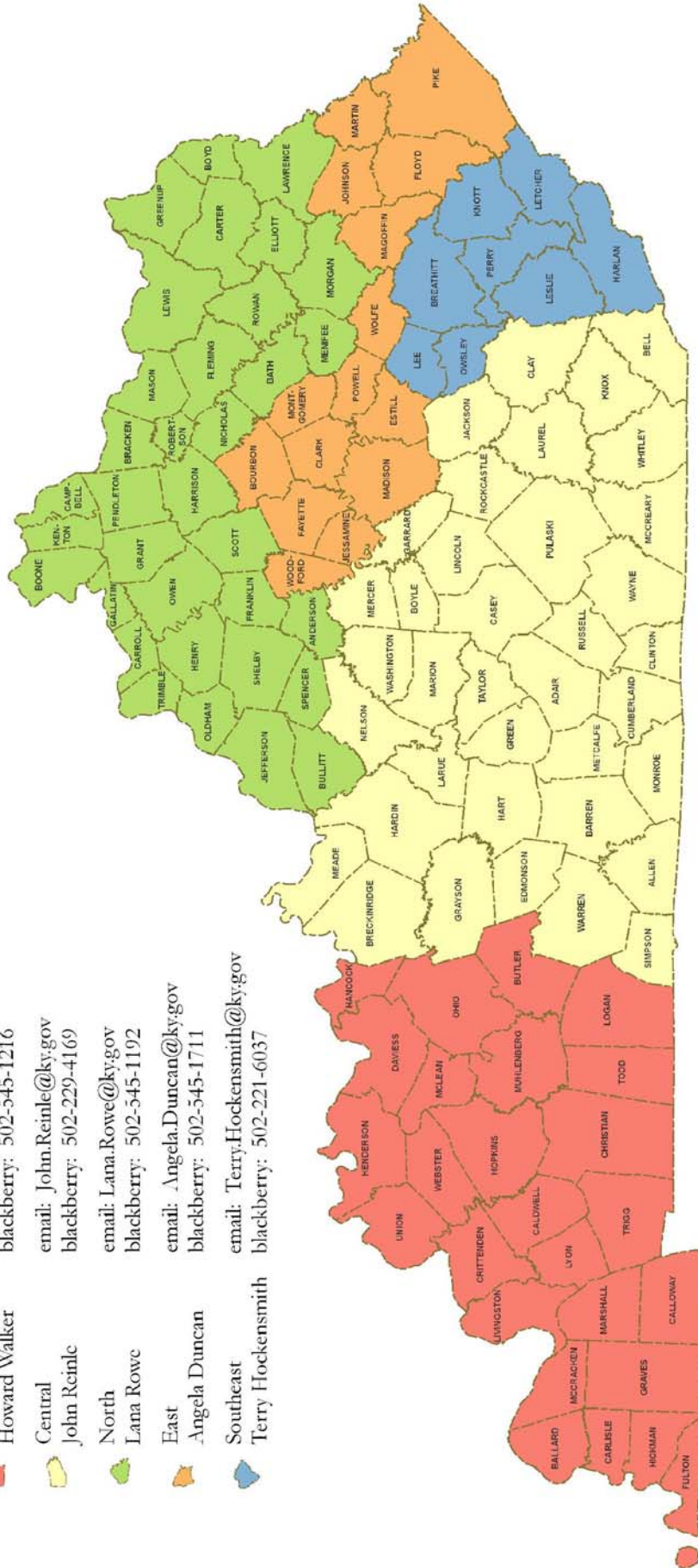
If LGEDF receipts are not included as anticipated revenue per the adopted budget, DLG will withhold disbursements of LGEDF to the county until such time as the county has amended its budget to reflect the anticipated receipt and expenditure of this money.

# Office of State Grants

## Field Monitoring Staff

### Symbology

	West	email: Howard.Walker@ky.gov
	Howard Walker	blackberry: 502-545-1216
	Central	email: John.Reinle@ky.gov
	John Reinle	blackberry: 502-229-4169
	North	email: Lana.Rowe@ky.gov
	Lana Rowe	blackberry: 502-545-1192
	East	email: Angela.Duncan@ky.gov
	Angela Duncan	blackberry: 502-545-1711
	Southeast	email: Terry.Hockensmith@ky.gov
	Terry Hockensmith	blackberry: 502-221-6037



Office of the Governor  
Department for Local Government  
1024 Capital Center Drive  
Frankfort, KY 40601  
(800) 346-5606  
<http://dlg.ky.gov>



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Prepared By:  
Water Resource Information System (WRIS)

July 31, 2008



***SAMPLE PRIORITY RESOLUTION FOR HB 410 COAL SEVERANCE LINE-ITEM PROJECTS***

**RESOLUTION  
COUNTY OF \_\_\_\_\_**

ADOPTION OF A RESOLUTION OF THE \_\_\_\_\_ COUNTY FISCAL COURT AUTHORIZING THE FOLLOWING PROJECTS TO BE FUNDED IN THE PRORITY ORDER LISTED BELOW VIA RELEASE OF SINGLE COUNTY COAL SEVERANCE FUNDS ESTABLISHED IN HOUSE BILL 410 AND ENACTED BY THE 2008 GENERAL ASSEMBLY;

WHEREAS, the Kentucky General Assembly, in 2008 House Bill (HB) 410, appropriated funds from the Local Government Economic Development Fund to the County for specific line-item projects; and

WHEREAS, because the General Assembly did not assign prioritization among the line-item projects authorized for the County, it is necessary for the County to assign such priority in order for the funds to be disbursed in an orderly fashion; and

WHEREAS, the General Assembly has, in some counties, appropriated single county coal severance funds directly to other local government entities within those counties; and

WHEREAS, the County has, where applicable, consulted with those local government entities as to the most effective prioritization of all line-item projects from the County's single county coal severance funds;

NOW, THEREFORE, be it resolved this \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by the \_\_\_\_\_ County Fiscal Court:

The Fiscal Court hereby assigns, for administrative purposes, priority among all 2008 HB 410 line-item projects authorized for \_\_\_\_\_ County in the following manner:

**FY 2008 ('07-'08)**

1. "name of project" in the amount of \$ \_\_\_\_\_
2. "name of project" in the amount of \$ \_\_\_\_\_

**FY 2009 ('08-'09)**

1. "name of project" in the amount of \$ \_\_\_\_\_
2. "name of project" in the amount of \$ \_\_\_\_\_

**FY 2010 ('09-'10)**

1. "name of project" in the amount of \$ \_\_\_\_\_
2. "name of project" in the amount of \$ \_\_\_\_\_

Done this \_\_\_\_ day of \_\_\_\_\_, 200\_\_. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_, members present voting unanimously in favor.

By: \_\_\_\_\_  
County Judge/Executive

ATTEST:  
By: \_\_\_\_\_  
Its: \_\_\_\_\_

***SAMPLE AUTHORIZING RESOLUTION FOR HB 410 COAL SEVERANCE LINE-ITEM PROJECTS***

RESOLUTION  
CITY/COUNTY OF \_\_\_\_\_

A RESOLUTION OF THE CITY/COUNTY OF \_\_\_\_\_, KENTUCKY AUTHORIZING THE MAYOR/COUNTY JUDGE/EXECUTIVE TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT FOR LOCAL GOVERNMENT (DLG) FOR THE PROJECTS LISTED BELOW, TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY GOLD TO FACILITATE THESE PROJECTS AND TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THESE PROJECTS.

WHEREAS, the City of \_\_\_\_\_, Kentucky (City)/ \_\_\_\_\_ County, Kentucky (County), has received the following 2008 Kentucky General Assembly House Bill 410 project(s) to be administered by the Department for Local Government:

“name of project” in the amount of \$ \_\_\_\_\_  
“name of project” in the amount of \$ \_\_\_\_\_

WHEREAS, it is recognized that the project(s) listed above impose certain obligations and responsibilities upon the City/County.

NOW, THEREFORE, be it resolved this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by the City of \_\_\_\_\_, Kentucky/ \_\_\_\_\_ County, Kentucky:

The Mayor/County Judge/Executive is hereby authorized to execute and furnish all required documentation, including a memorandum of agreement, as may be required by DLG for the furtherance of the above-referenced project(s) and to act as the authorized correspondent for said project(s).

Done this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_, members present voting (vote count) in favor.

By: \_\_\_\_\_  
County Judge/Executive or Mayor

ATTEST: \_\_\_\_\_  
Its: \_\_\_\_\_

Recorded in Book \_\_\_\_ Page \_\_\_\_.



***SAMPLE RESOLUTION TO ACCEPT AND TRANSFER PROJECT***

RESOLUTION  
CITY/COUNTY OF \_\_\_\_\_

A RESOLUTION OF THE CITY/COUNTY OF \_\_\_\_\_, KENTUCKY AUTHORIZING THE MAYOR/COUNTY JUDGE/EXECUTIVE TO ACCEPT AND TRANSFER A 2008 KENTUCKY GENERAL ASSEMBLY HOUSE BILL 410 COAL SEVERANCE LINE-ITEM PROJECT FROM THE COMMONWEALTH OF KENTUCKY, DEPARTMENT FOR LOCAL GOVERNMENT (DLG) FOR THE PROJECT LISTED BELOW.

WHEREAS, the City of \_\_\_\_\_, Kentucky(city) / \_\_\_\_\_ County, Kentucky (county) has received the following 2008 Kentucky General Assembly House Bill 410 coal severance project to be administered by the Kentucky Department for Local Government and wishes to transfer local administration to \_\_\_\_\_.

(List Project Here)

WHEREAS, it is recognized that the project listed above impose certain obligations and responsibilities upon the Board of Directors.

NOW, THEREFORE, be it resolved this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by the City of \_\_\_\_\_, Kentucky/ \_\_\_\_\_ County, Kentucky.

SECTION I: The Mayor/ County Judge/Executive is hereby authorized to accept and transfer the Department for Local Government House Bill 410 project in the amount of \$\_\_\_\_\_ to the\_\_\_\_\_.

SECTION II: This Resolution shall take effect upon its passage and approval.

Done this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_,

Members present voting (vote count) in favor.

BY: \_\_\_\_\_  
Mayor or County Judge/Executive

ATTEST: \_\_\_\_\_  
Clerk

***SAMPLE RESOLUTION ACCEPTING LINE-ITEM PROJECT***

RESOLUTION

\_\_\_\_\_  
Organization's Name

A RESOLUTION OF THE \_\_\_\_\_ AUTHORIZING THE CHAIRPERSON TO ENTER INTO AN AGREEMENT WITH THE DEPARTMENT FOR LOCAL GOVERNMENT (DLG) FOR THE PROJECT LISTED BELOW, TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY DLG TO FACILITATE THIS PROJECT AND TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.

WHEREAS, the City of \_\_\_\_\_, / County of \_\_\_\_\_ Kentucky has received the following 2008 Kentucky General Assembly House Bill 410 coal severance project to be administered by the Kentucky Department for Local Government and has transferred the administration of said project to the \_\_\_\_\_.

(Project Title)

WHEREAS, it is recognized that the project listed above impose certain obligations and responsibilities upon the \_\_\_\_\_.

NOW, THEREFORE, be it resolved this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, by the Board of Directors.

The Chairperson is hereby authorized to execute and furnish all required documentation, including a memorandum of agreement, as may be required by Department for Local Government for the furtherance of the above-referenced project and to act as the authorized correspondent for said project.

Done this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_.  
Members present voting (vote count) in favor.

BY: \_\_\_\_\_  
Chairperson

ATTEST: \_\_\_\_\_  
Secretary

***SAMPLE RESOLUTION FOR LGEDF GRANTS***

RESOLUTION  
COUNTY OF \_\_\_\_\_

ADOPTION OF A RESOLUTION OF THE \_\_\_\_\_ COUNTY FISCAL COURT AUTHORIZING THE FILING OF A KENTUCKY LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND ("LGEDF") PROJECT PROPOSAL/GRANT APPLICATION FOR UP TO \$\_\_\_\_\_ IN LOCAL GOVERNMENT ECONOMIC DEVELOPMENT SINGLE COUNTY FUNDS WITH THE DEPARTMENT FOR LOCAL GOVERNMENT (DLG); AUTHORIZING AND DIRECTING THE \_\_\_\_\_ COUNTY JUDGE/EXECUTIVE TO EXECUTE ANY DOCUMENTS WHICH ARE DEEMED NECESSARY BY DLG TO CARRY OUT THIS PROJECT; AND AUTHORIZING THE JUDGE/EXECUTIVE TO ACT AS THE AUTHORIZED CORRESPONDENT FOR THIS PROJECT.

WHEREAS, \_\_\_\_\_ County ("County") desires to promote and carry out economic development efforts on behalf of the residents of \_\_\_\_\_ County by supporting the \_\_\_\_\_ Project; and

WHEREAS, it is recognized that LGEDF monies available to the County for the purposes stated herein, pursuant to KRS 42.4582 to 42.495 and 2008 Kentucky General Assembly House Bill 406 (Budget Bill), impose certain obligations and responsibilities upon the County and will require among other things:

- (1) Approval of a satisfactory application transmitted to DLG for approval; and,
- (2) Other obligations of the County in connection with receiving the LGEDF grant of monies for the purposes stated herein;

NOW, THEREFORE, be it resolved this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_, by \_\_\_\_\_ County Fiscal Court:

That a Project Proposal/Grant Application on behalf of the County for LGEDF monies up to \$\_\_\_\_\_ for \_\_\_\_\_ Project shall be submitted to DLG; the County shall provide such additional information and furnish such documentation as may be required, and the County Judge/Executive shall act as the authorized correspondent for this Project.

Done this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_. Motion by \_\_\_\_\_ and seconded by \_\_\_\_\_, members present voting unanimously in favor.

By: \_\_\_\_\_  
County Judge/Executive

ATTEST:

By: \_\_\_\_\_

Its: \_\_\_\_\_

Project Scope and Budget  
Department for Local Government  
Office of State Grants

Check one of the following:

☐ Coal Severance Line-Item Project

☐ Local Government Economic Development Fund (LGEDF) Coal Severance Grant

---

Project Information

Project Title: \_\_\_\_\_

Total Amount Requested: \_\_\_\_\_ Total Project Cost: \_\_\_\_\_

County: \_\_\_\_\_ ADD: \_\_\_\_\_

Type of Project (for example - construction, revitalization, purchase of land and equipment purchase, etc.):

\_\_\_\_\_  
\_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

If Water or Sewer Project, check one of the following and provide WX # and/or SX#:

☐ Water WX#: \_\_\_\_\_ ☐ Sewer SX#: \_\_\_\_\_

---

Grantee Information

Legal Applicant / Funding Recipient (entity that will execute MOA): \_\_\_\_\_

\_\_\_\_\_  
Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Official's Name/Title: \_\_\_\_\_ County: \_\_\_\_\_

Federal Tax ID #: \_\_\_\_\_

---

**Sub-Recipient Information (If different from Grantee)**

Sub-recipient (if applicable): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax:: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Type of Organization: \_\_\_\_\_

Contact Person: \_\_\_\_\_

---

**Project Contact**

Application Contact Person (consultant, area development district, etc.): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax: \_\_\_\_\_ Email Address: \_\_\_\_\_

Project Contact Person: \_\_\_\_\_

---

**Detailed Scope of Work**

Provide a description of the project detailing all relevant project information including but not limited to the proposed project activities, a justification for project funding, any needs to be addressed by the project expected results and public benefit to be derived from the project. Additional pages may be added if needed.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

---

**Detailed Project Budget**

Provide a detailed cost break-down of the entire project (use and amount). Indicate by an asterisk \* or by bolding project activity or activities for which the requested funds will be used.

Use	Amount
1) _____	_____
2) _____	_____
3) _____	_____
4) _____	_____
5) _____	_____
6) _____	_____
7) _____	_____
8) _____	_____
9) _____	_____
10) _____	_____
Total Amount Requested	_____

**Project Funds**

List project funds that will be used for project completion.

Funding Source	Status	Amount
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Signature**

Please check that resolution is attached and sign to certify that all information is complete and correct.

☐ Resolution is attached.

To the best of my knowledge and belief, information in the application is true and correct. I am aware that the proposed project may be removed from further consideration should it be determined that there are significant discrepancies in the information provided, and/or false, inaccurate or incomplete information has been given.

Signature \_\_\_\_\_ Date \_\_\_\_\_

**Request for Disbursement Form**  
Local Government Projects  
Department for Local Government

Funding Program/HB#: \_\_\_\_\_

Project ID #: \_\_\_\_\_

Check one of the following:

- ☐ Coal Severance Line-Item Project
- ☐ Local Government Economic Development Fund (LGEDF) Coal Severance Grant
- ☐ HB 380 Line-Item Project    ☐ Renaissance    ☐ Other: \_\_\_\_\_

---

**Project Information**

Project Name: \_\_\_\_\_

---

**Grantee Information**

Legal Applicant: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Official's Name/Title: \_\_\_\_\_ County \_\_\_\_\_

---

**Request Information**

Date of Request: \_\_\_\_\_ Request Number: \_\_\_\_\_ Amount Requested: \_\_\_\_\_

A. Status:

- |                                   |          |
|-----------------------------------|----------|
| 1. Original/Total Award Amount:   | \$ _____ |
| 2. Funding Disbursements to Date: | \$ _____ |
| 3. Amount Being Requested:        | \$ _____ |
| 4. New Account Balance:           | \$ _____ |

B. Summary of Payees of Amount Requested:

1. \_\_\_\_\_ \$ \_\_\_\_\_
2. \_\_\_\_\_ \$ \_\_\_\_\_
3. \_\_\_\_\_ \$ \_\_\_\_\_
4. \_\_\_\_\_ \$ \_\_\_\_\_
5. \_\_\_\_\_ \$ \_\_\_\_\_
6. \_\_\_\_\_ \$ \_\_\_\_\_

Total Amount of Funding Request: \$ \_\_\_\_\_

C. Certification: \_\_\_\_\_ "Recipient" hereby makes this request to DLG ("DLG") for a disbursement of funding made by DLG to the Recipient. The Recipient hereby represents, warrants and certifies to DLG that (i) this request is made in accordance with the terms and conditions of that certain grant agreement as represented in the executed memorandum of agreement and any subsequent amendments thereto (the "Memorandum of Agreement"), (ii) the Person executing this instrument on behalf of Recipient is duly authorized to execute and deliver this request, (iii) Recipient requires the amount requested to meet its current payment obligations in connection with the Project as described in the Memorandum of Agreement, (iv) each of the representations, warranties and covenants of Recipient in the Memorandum of Agreement is true and correct on the date hereof, including but not limited to compliance with KRS 154.50-336, (v) no Event of Default under the Memorandum of Agreement has occurred and is continuing, (vi) all work performed by any contractors and subcontractors has been completed in a good and workmanlike manner and in accordance with all applicable contracts, (vii) all work performed by any contractors and subcontractors has been inspected and approved by Recipient prior to the date hereof, and (viii) no contractors or subcontractors have filed liens or have threatened to file liens of any type with respect to the Project. Please note that item (viii) is applicable to grants only. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed thereto in the Memorandum of Agreement. Recipient has attached to this request all supporting documentation (cost estimates, invoices and/or receipts, etc.) deemed necessary by DLG, in its sole discretion, for the amount of the disbursement requested.

IN WITNESS WHEREOF, Recipient, by its duly authorized representative, has executed this Request for Disbursement as of the date written above.

By: \_\_\_\_\_  
Authorized Recipient Signature

**FOR DLG USE ONLY**

Project Reporting Status: Compliant \_\_\_\_\_ Non-compliant \_\_\_\_\_

Reviewed By: \_\_\_\_\_ Date: \_\_\_\_\_

Approved By: \_\_\_\_\_ Branch Manager Date: \_\_\_\_\_

DLG Finance Officer: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_



**Quarterly Progress Report**  
Local Government Projects  
Department for Local Government

Funding Program/HB#: \_\_\_\_\_

Project ID #: \_\_\_\_\_

Check one of the following:

☐ Coal Severance Line-Item Project

☐ Local Government Economic Development Fund (LGEDF) Coal Severance Grant

☐ HB 380 Line-Item Project    ☐ Renaissance    ☐ Other: \_\_\_\_\_

---

**Project Information**

Project Title: \_\_\_\_\_

Project Allocation: \$ \_\_\_\_\_ Total Funds Expended to Date: \$ \_\_\_\_\_

County: \_\_\_\_\_ ADD: \_\_\_\_\_

Type of Project (for example - construction, revitalization, purchase of land and equipment purchase, etc.):

\_\_\_\_\_  
\_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

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**Grantee Information**

Legal Applicant: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Official's Name/Title: \_\_\_\_\_ County \_\_\_\_\_

Was applicant a pass-thru agency to third-party recipient? (check one)    ☐ yes    ☐ no

If yes, please list third-party recipient: \_\_\_\_\_

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**Project Status**

Please check the months you are reporting on as part of this progress report:

☐ July-Sep   ☐ Oct-Dec   ☐ Jan-March   ☐ April-June

Have all funds allocated for this project been received and expended?   ☐ yes   ☐ no

If yes, please complete the Project Completion Report and send to DLG.

Explain project status including all activities of this project or problems with this project. Make sure to provide an estimated date for completion (REQUIRED):

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**Financial Information**

Total number of previous draws: # \_\_\_\_\_ Total amount of disbursements received to date: \$ \_\_\_\_\_

List all financial transactions that occurred during this quarter:

Payable	Amount	Purpose (equipment, supplies, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Attach any previously unsubmitted supporting documentation for every financial transaction that occurred during this quarter.

Certification of Recipient

Name and Title of Chief Executive Officer: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name and Title Third Party Recipient: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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FOR DLG USE ONLY: This Quarterly Progress Report is hereby approved.

DLG Staff Reviewer: \_\_\_\_\_ Date: \_\_\_\_\_

**Completion Report**  
 Local Government Projects  
 Department for Local Government

Funding Program/HB#: \_\_\_\_\_

Project ID #: \_\_\_\_\_

Check one of the following:

☐ Coal Severance Line-Item Project☐ Local Government Economic Development Fund (LGEDF) Coal Severance Grant☐ HB 380 Line-Item Project    ☐ Renaissance    ☐ Other: \_\_\_\_\_**Project Information**

Project Title: \_\_\_\_\_

Project Allocation: \$ \_\_\_\_\_

Total Actual Funds Received: \$ \_\_\_\_\_ Total Actual Funds Expended: \$ \_\_\_\_\_

County: \_\_\_\_\_ ADD: \_\_\_\_\_

Type of Project (for example - construction, revitalization, purchase of land and equipment purchase, etc.):  
 \_\_\_\_\_  
 \_\_\_\_\_

Start Date: \_\_\_\_\_ End Date: \_\_\_\_\_

Has final draw been made? ☐ Yes ☐ No**Grantee Information**Legal Applicant / Funding Recipient (entity that will execute MOA): \_\_\_\_\_  
 \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Official's Name/Title: \_\_\_\_\_ County \_\_\_\_\_

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**Sub-Recipient Information (If different from Grantee)**

Sub-recipient (if applicable): \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_ Office Phone: \_\_\_\_\_

Office Fax:: \_\_\_\_\_ E-mail Address: \_\_\_\_\_

Type of Organization: \_\_\_\_\_ Contact Person: \_\_\_\_\_

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**Close-Out Narrative**

Provide a narrative of how the project was completed (REQUIRED).

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**Completion Report**

Date of Project Completion: \_\_\_\_\_

Were any designated funds left over? (check one) ☐ yes ☐ no

If yes, please list dollar amount: \$ \_\_\_\_\_

Explain why (REQUIRED):

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**PLEASE NOTE:** Any remaining funds must be returned to the Department for Local Government by check payable to the Kentucky State Treasurer.

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**Checklist**

Make sure to complete all relevant forms and mail to the Department for Local Government.

☐ Attachment A-Financial Report

☐ Attachment C-ADF Project Only

☐ Attachment B-Real Property

☐ Other financial reports, invoices and relevant documentation

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**Signatures**

It is hereby certified that all activities undertaken by the recipient with funds provided under the Memorandum of Agreement (MOA) have to the best of my knowledge been carried out in accordance with the MOA and Project Scope of Work, that all funds have been expended or returned to the Commonwealth of Kentucky and that every statement and amount set forth in this instrument is true and correct as of this date.

Name and Title of Chief Executive Officer: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name and Title of Third Party Recipient: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**FOR DLG USE ONLY:** This completion report is hereby approved. The MOA and all supporting documents required are received. All records for this project are required to be maintained for three (3) years from the date of completion.

DLG Staff Reviewer: \_\_\_\_\_ Date: \_\_\_\_\_

DLG Authorized Approval: \_\_\_\_\_ Date: \_\_\_\_\_

Attachment A: Financial Report

Please list all financial transactions of project (group like items together). Note: All attached forms are final pending completion and receipt of this financial report.

Payable	Amount	Purpose (equipment, supplies, etc.)

Signature  
Check below and sign to certify attachment of all final close-out documents (e.g. inspections, certification of occupancy, copies of information, permits, invoices, receipts, etc.)

☐ All copies of final close out documents are attached.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Attachment B: Real Property Acquisition**  
Local Government Projects Completion Report  
Department for Local Government

**Property Acquisition**

Did this project involve the acquisition of real property? (check one) ☐ yes ☐ no

If yes, a copy of the deed transferring title must be attached to the back of this form if not already on file at DLG.

Please check to certify that a copy of the deed transferring title of any real property acquisition is attached:

☐ Copy of deed is attached.

☐ Copy of property survey, meets and bounds, etc. is attached.

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